1 The opinion in support of the decision being entered today is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

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Ex parte PETER J. SALLAWAY, DOUGLAS EASTON,
and MATT WEBB

———————

Appeal 2007-1807
Application 09/751,037
Technology Center 2600

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Decided: October 17, 2007

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Before MAHSHID D. SAADAT, JEAN R. HOMERE, and
ST. JOHN COURTENAY III, *Administrative Patent Judges*.

HOMERE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134 from the Examiner's Final Rejection of claims 1 through 38. We have jurisdiction under 35 U.S.C. § 6(b) to decide this appeal. We reverse.

The Invention

Appellants invented a controller having an encoding portion and a decoding portion for monitoring and controlling the operating modes in a network transceiver. (Specification 3.)

An understanding of the invention can be derived from exemplary independent claim 1, which reads as follows:

1. For use with a network transceiver having a decoder and an encoder, a controller that controls operating modes of the network transceiver, comprising:

an encoder portion operable to direct said encoder to encode data in one of an industry-compliant mode and a custom mode; and

a decoder portion operable, in response to sensing data received in said custom mode at said decoder, to direct:

said decoder to decode said received data in said custom mode; and

said encoder portion to direct said encoder to encode data in said custom mode.

In rejecting the claims on appeal, the Examiner relies upon the following prior art:

Herve	US 5,740,163	Apr. 14, 1998
Agazzi	US 6,721,916 B2	Apr. 13, 2004
		(Filed May 15, 2001)

The Examiner rejects the claims on appeal as follows:

A. Claims 1 through 7, 9 through 16, 18 through 24, and 26 through 37 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Herve.

B. Claims 8, 17, 25, and 38 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Herve and Agazzi.

Appellants contend that Herve does not anticipate the invention as recited in claims 1 through 7, 9 through 16, 18 through 24, and 26 through 37. Particularly, Appellants contend that Herve does not teach or suggest a decoder portion that directs an encoder portion to direct an encoder to encode data in a custom mode in response to a decoder sensing data received in the custom mode, as recited in independent claims 1, 9, 18, and 26. (Br.7, Reply Br. 2.) For these same reasons, Appellants contend that the combination of Herve and Agazzi does not render claims 8, 17, 25, and 38 unpatentable. In response, the Examiner contends that Herve's disclosure of a management system that uses a switch to inform a CODEC of the selected mode of operation of a visiophone teaches the claim limitation. (Answer 12-15.)

<div align="center">ISSUE</div>

The *pivotal* issue in the appeal before us is as follows:

Have Appellants shown that the Examiner failed to establish that the disclosure of Herve anticipates the claimed invention under 35 U.S.C. § 102(b)? Particularly, does Herve's disclosure anticipate the claimed invention given that Herve teaches a management system to instruct a CODEC via a switch of the selected mode of operation of a visiophone?

<div align="center">FINDINGS OF FACT</div>

The following findings of fact are supported by a preponderance of the evidence.

The Invention

1.   As depicted in Figure 1, Appellants invented a network transceiver
     (100) operable in either an industry-compliant mode or in a custom
     mode. The transceiver (100) includes an encoder (120), a decoder
     (125) and a mode controller (130) to control the operating modes of
     the transceiver. (Specification 11-12.)

2.   The controller (130) comprises an encoder portion (135) and a
     decoder portion (140). The encoder portion (135) being able to direct
     the encoder (120) to encode received data in either the industry
     compliant mode or the custom mode. (*Id.* 13.)

3.   When the detector senses received data to be in a custom mode, the
     decoder portion (1) directs the encoder portion to direct the encoder to
     encode the data in custom mode, and (2) directs the decoder to decode
     the received custom data. (*Id.*)

The Prior Art Relied Upon

4.   As depicted in Figure 1, Herve teaches a dual-mode ISDN/STN
     visiophone terminal including an audio section (7) and a video section
     (1). Each of the videophone sections is connected to a respective
     CODEC segment (13, 24, 6, and 25) to encode or decode received
     data according to the ISDN or STN mode of operation that the
     management system (18) selected via a switch (28). (Col. 3, ll. 19-65;
     col. 4, ll. 12-23.)

ANALYSIS

We begin our analysis by noting that independent claims 1, 9, 18 and
26 require a controller comprising an encoder portion and a decoder portion
wherein the decoder portion directs the encoder portion to direct an encoder

to encode data in a custom mode in response to the decoder sensing received data to be in the custom mode. (Br. Claims Appendix.) After carefully considering the evidence before us, we find that Herve's disclosure does not reasonably teach this limitation. Particularly, we find insufficient evidence in the record before us to support the Examiner's conclusion of anticipation.

As detailed in the Findings of Fact section above, we have found that Herve teaches a CODEC for encoding/decoding audio or video data in the ISDN or STN mode as selected by the management system via the switch. (Finding 4.) We do not agree with the Examiner that Herve's management system comprises an encoder portion and a decoder portion. Albeit the management system communicates with the encoder and decoder sections of the CODEC via other intervening devices, it cannot be reasonably construed to include the cited portions, as required by the above claims. Further, even assuming that Herve's management system does include the encoder/decoder portions, Herve's disclosure would still fall short of teaching the above limitation. Particularly, we note that in Herve, the management system selects a desired ISDN or STN mode of operation via the switch and subsequently instructs the CODEC to decode and encode the incoming data via the multiplexer/demultiplexer. We fail to find any teaching in Herve of a decoder that senses or detects the mode of operation of the visiophone for the decoder portion to subsequently instruct the encoder portion to encode the incoming data.

It follows that the Examiner erred in rejecting independent claims 1, 9, 18, and 26 as being anticipated by Herve. Therefore, we reverse the Examiner's rejection of independent claims 1, 9, 18, and 26 and associated dependent claims 2 through 7, 10 through 16, 19 through 24, and 27 through

37, as being anticipated by Herve. Because we have reversed the Examiner's rejection of each independent claim on appeal, we also reverse the Examiner's rejection of dependent claims 8, 17, 25, and 38 as being unpatentable over the combination of Herve and Agazzi under 35 U.S.C. § 103.

CONCLUSION OF LAW

On the record before us, the Examiner has failed to establish that Herve's disclosure anticipates claims 1 through 7, 9 through 16, 18 through 24, and 26 through 37 under 35 U.S.C. § 102(b). Further, the Examiner has failed to establish that Herve's disclosure renders claims 8, 17, 25, and 38 unpatentable under 35 U.S.C. § 103(a).

DECISION

We have reversed the Examiner's decision rejecting claims 1 through 38.

REVERSED

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